

RESOLUTION SUMMARY

Resolution responding to the April 22, 2022 notice concerning the creation of two Tax Increment Financing Districts in the City of Obetz.

(Economic Development & Planning)

The City of Obetz (“Obetz”) plans to establish two new residential Tax Increment Financing (“TIF”) Districts to provide for public improvements necessary to support two new residential developments in the City, the first consisting of approximately 424 new single-family residential units, and the second consisting of approximately 255 new single family residential units.

Tax Increment Financing is a public funding mechanism that captures and redirects taxes from the incremental increase in value of real property that results from new development or redevelopment to pay for costs associated with certain public infrastructure improvements necessary for the development.

In Franklin County, and elsewhere in the State of Ohio, taxes from the incremental increase in value of real property located, as here, in a “Non-School” TIF District are diverted from various social services levy agencies to pay the cost of public infrastructure projects which support the development. In Franklin County, these levy agencies include: Children’s Services, ADAM-H, Board of Developmental Disabilities and Senior Options.

Franklin County’s social service agencies have not objected to *commercial* TIFs and they recognize that such tools exist to support economic growth throughout Franklin County. However, Franklin County’s social service agencies have expressed concerns with *residential* TIFs, as the people who will ultimately live in the new residential development may need services provided by the agencies. It has traditionally been the view of the agencies that a portion of the new funds generated by their levies should support the services they provide for those individuals that live in the newly established *residential* TIF.

The Commissioners have powers under Section 5709.40(E)(2) of the Ohio Revised Code to accept or to object to TIF proposals within thirty (30) days of receipt of notice from the municipality. If the Commissioners accept or take no action within thirty (30) days of receipt of notice, the TIF District will become effective at the terms and rates set in the proposal. The Commissioners may also object to TIF proposals with terms of more than ten (10) years or where the percentage of the improvements exempted from taxation exceeds seventy-five percent (75%). If the Commissioners object to the TIF proposal, they may subsequently enter into a mutually agreeable compensation agreement with the municipality to direct a portion of the diverted taxes back to the county and its social service agencies.

The Director of Economic Development and Planning recommends objecting to the City of Obetz's proposed 100%, 30-year, residential TIF District, and seeks to establish a compensation agreement to compensate the social services levy agencies. If no compensation agreement is reached, the ORC Section 5709.40(E)(2) provides the county a default rate of compensation of not more than 50% of the taxes that would be payable to the county for years eleven (11) to thirty (30).

ORC Section 5709.40(E)(3) states that if the Commissioners fail to object, by resolution, within thirty (30) days of receiving notice of the proposed TIF District from the municipality, "no compensation shall be provided to the board of county commissioners." Here, the City of Obetz provided such notice on April 22, 2022.

Therefore, the following must be done in order to compensate the social service levy agencies for the diverted taxes:

1. The Commissioners must pass a resolution, by a majority of the board, and certify it no later than May 23, 2022, objecting to the term of years of the proposed residential TIF in the City of Obetz.
2. Once the resolution is certified, the undersigned will seek to establish a compensation agreement with the City of Obetz.
3. If no compensation agreement is reached, ORC Section 5709.40(E)(2) provides the county a default rate of compensation of not more than 50% of the taxes that would be payable to the county for years eleven (11) to thirty (30).



James Schimmer
Director

Franklin County Economic Development & Planning